

Decision 14-06-036 June 26, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to address the issue
of customers' electric and natural gas service
disconnection.

Rulemaking 10-02-005
(Filed February 4, 2010)

**FINAL DECISION APPROVING SETTLEMENT AGREEMENT ON CREDIT,
COLLECTION AND DISCONNECTION PRACTICES**

1. Summary

This decision approves the Residential Disconnection Settlement Agreement submitted on April 1, 2014, by the Office of Ratepayer Advocates, The Utility Reform Network, The Greenlining Institute, Center for Accessible Technology, Pacific Gas and Electric Company, Southern California Edison, San Diego Gas & Electric Company, and Southern California Gas Company, collectively, the Settling Parties. The Residential Disconnection Settlement Agreement extends many disconnection and credit rules adopted by the Commission in decisions earlier in this proceeding and enacts new pilot program protocols to experiment with different customer communication techniques. The Residential Disconnection Settlement Agreement is Attachment A to today's decision. This proceeding is closed.

2. Background

Concerned about the current economic crisis in California and an increase in residential utility service disconnections, the Commission opened this

rulemaking to reduce the number of gas and electric service disconnections due to nonpayment. Decision (D.) 10-07-048, issued in this proceeding on July 30, 2010, adopted several interim measures to achieve that objective.

In D.10-12-051, the Commission approved a settlement agreement for SDG&E and SoCalGas that set payment arrangement practices and restrictions on collecting deposits if performance benchmarks were not met, established an extreme weather policy prohibiting disconnection in severe temperatures, set a 12-month transition process for remote disconnections following smart meter installation, required in-person field contact prior to such remote disconnections, and prohibited remote disconnections of customers vulnerable to health and safety risks. This settlement expired at the end of 2013.

In D.12-03-054, the Commission continued in effect certain of the interim measures and took additional steps to reduce the number of residential service disconnections by requiring that the utilities:

- Ensure that their customer service representatives offer customers the option of enrollment in the California Alternate Rates for Energy (CARE) rate program by telephone.
- For any written communication to customers concerning the risk of service disconnection, provide key information, including the fact that service is at risk and a way to follow up for additional information, in large print such as 14 point sans serif font.
- For customers who have previously been identified as disabled and who have identified a preferred form of communication provide all information concerning the risk of disconnection in the customer's preferred format.
- For households identified as using non-standard forms of telecommunication, ensure that outgoing calls regarding the risk of disconnection are made by a live representative.

- Inform any customer who owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has a right to arrange a bill payment plan extending for a minimum of three months the period in which to repay the arrearage.
- Allow customer service representatives discretion to extend the period in which to pay the arrearage from three months up to twelve months. Each utility may implement a plan schedule that exceeds 12 months, but no utility is required to extend the schedule beyond three months.
- Provide that CARE and Family Electric Rate Assistance customers are not required to pay additional reestablishment of credit deposits with a utility for either slow-payment/no-payment of bills or following a disconnection.
- Provide that medical baseline customers, life support customers, and customers who certify that they have a serious illness or condition that could become life threatening if service is disconnected shall not be disconnected without an in-person visit from a utility representative. Such visits should take place within 48 hours, or at the time, of disconnection. The representative must be able to collect on a bill during an in-person visit prior to disconnection.
- Offer their non-cash credit deposit options to all new customers and those required to post a reestablishment of credit deposit following a disconnection.
- Collect from customers a reestablishment of credit deposit following a disconnection based on twice the average monthly bill, rather than twice the maximum monthly bill.
- Not collect credit deposits for late payment of bills.

In D.12-03-054, the Commission specified that most of these provisions would expire on December 31, 2013.

As the expiration date neared in late 2013, the parties to the earlier settlement agreement began discussions of the utilities' post-2013 credit and collection practices. On December 19, 2013, the Commission's Executive Director sent a letter to each of the utilities requesting that they maintain until March 3, 2014, status quo of the then-effective customer disconnection rules adopted in D.10-12-051 and D.12-03-054, and on March 3, 2014, the utilities voluntarily agreed to maintain status quo of their customer disconnection rules for an additional two weeks until March 17, 2014 to allow the parties to continue settlement discussions. On March 11, 2014, pursuant to Rule 12.1(b), the Settling Parties notified all parties on the service list for this proceeding of a settlement conference to be held on March 18, 2014 to discuss the terms of the Settlement Agreement, and on March 18, 2014, the Settling Parties hosted a Settlement Conference. In addition to the parties to the Residential Disconnection Settlement Agreement, the National Consumer Law Center participated in the conference.

The parties to the Agreement filed it with a motion seeking Commission approval on April 1, 2014, and concurrently a Petition to Modify D.12-03-054 and D.10-12-051.

On April 15, 2014, the National Consumer Law Center filed and served its comments on the Residential Disconnection Settlement Agreement and its opposition to the Petition to Modify. The Center generally supported the Agreement but sought clarification that the utilities intend the field visit and live CARE enrollment provision to be permanent and additional flexibility to the pilot payment plans. Procedurally, rather than use the petition to modify process, which seemed ill-suited for this circumstance, the Center recommend

reopening the record for the limited purpose of considering and adopting the Residential Disconnection Settlement Agreement.

On April 25, 2014, the settling parties supported the Center's procedural proposal, and pointed to the terms of the Settlement Agreement providing for individualized consideration by all utilities of customer needs regarding payment plans, despite the prescriptive approaches to be tested in the pilot programs.

The Settling Parties also confirmed their intent to continue the permanent provisions of D.12-03-054 related to field visits and immediate CARE enrollment.

3. Description of the Residential Disconnection Settlement Agreement

The Agreement provides that Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), and Southern California Edison (SCE) shall continue in-person visits within the 48 hours prior to, or at the time of, disconnection for special needs profiled customers, including Medical Baseline, Life Support, and customers who self-certify that they have a serious illness or condition that could become life threatening if service is disconnected.

San Diego Gas & Electric Company (SDG&E) shall conduct in-person visits within five business days prior to disconnection of special needs profiled customers.

No utility will require any vulnerable customer who receives a field visit pursuant to this paragraph to pay an additional fee associated with that field visit, and each utility shall continue its respective current practices for collection of customer payments during the field visit.

Article 4.2 describes effective communications policies to be implemented and requires PG&E and SCE to maintain the communication practices required

in D.12-03-054, except for outbound calls to customers using a relay service. Article 4.2.1 also requires PG&E and SCE to continue responding to incoming relay service calls and not include any limits or requirements regarding the length of these calls.

Article 4.2.2 states that PG&E and SCE shall include an insert in mailed Final Call Notices with information in the five most common languages in their respective service territories. In Article 4.2.3, SDG&E and SoCalGas agree to continue the communication practices adopted in D.10-12-051 except that SoCalGas shall make 48 hour calls by a live agent, consistent with practices of the other utilities, need not repeat calls or text messages to customers regarding disconnection and SDG&E need not make outbound automated calls to CARE customers' land lines prior to and subsequent to any bill delinquency.

Article 4.3.1 states that the utilities currently providing access to a live representative or agent for CARE enrollment by telephone will continue to do so, and all other utilities will seek funding through the Low Income Programs proceeding to implement this in the next program cycle.

Article 4.4.1 provides that the utilities shall continue to work with customers requesting payment due date extensions and shall enact payment arrangement pilot programs to experiment with different payment arrangement terms in search of efficient and effective means to accommodate customers. Life Support customers will be special handled, and all Life Support customers will be eligible for a three to 12 month payment arrangement depending on circumstances, with flexibility for good faith payments as determined by the customer service representative. Each utility has specific pilot programs to enact, agrees to collect data upon which to evaluate the success of the pilot, and agrees

to retain successful programs. Success of the pilots shall be determined by reducing pay plan defaults, and/or a decrease in overall outstanding arrears.

The Residential Disconnection Settlement Agreement provides that the deposit necessary to re-establish credit shall be twice the customer's average monthly bill, and sets out time allowances to pay the deposit such that customers will continue to be immediately reconnected while paying the deposit in installments.

Finally, the Residential Disconnection Settlement Agreement provides that the utilities shall continue to file quarterly reports of monthly reporting data and that all parties shall meet and confer on a semi-annual basis regarding the status of the measures adopted and any unforeseen consequences.

**4. Motion for Approval of Settlement –
Compliance with Rule 12.1(d)**

In their motion seeking Commission approval of the Settlement Agreement, the parties contend that the Agreement meets Commission guidelines and relevant precedent for approval of settlements. The parties explain that the Settlement Agreement is reasonable in light of the whole record, consistent with law, and in the public interest as required by Rule 12.1(d) of the Commission's Rules of Practice and Procedure.

The Settling Parties state that they conducted frequent and lengthy negotiation meetings with parties representing diverse interests and holding differing perspectives on how best help customers maintain their utility service, and each Settling Party has obtained substantial information on the other Settling Parties' positions on the issues. Through this process, the Settling Parties reached mutually acceptable outcomes regarding the customer education and notifications procedures to help customers maintain their utility service, and a

comprehensive resolution of credit, collection and disconnection practices that the utilities will implement upon the expiration of the related requirements adopted in D.10-12-051 and D.12-03-054. The parties relied on previous filings parties in this proceeding, the workshop record, including party presentations, to reach the Settlement Agreement, and conclude that the record shows that the Settlement Agreement is a reasonable compromise of the Settling Parties' positions and, therefore, reasonable in light of the record.

The Settling Parties further represent that Settlement Agreement is fully consistent with law and prior Commission decisions, as well as the Commission's objectives in this rulemaking to reduce residential disconnections by improving customer notification and educations.

Finally, the Settling Parties explain that the Settlement Agreement is in the public interest because it enables the utilities to advance the Commission's goal of helping customers maintain utility service, without unduly overburdening other ratepayers. In addition, the Settlement Agreement, if adopted by the Commission, will result in an efficient resolution of issues and reduce the Commission resources that must be devoted to litigating the utilities' post-2013 credit and collection disconnections practices.

The parties conclude by requesting that the Settlement Agreement be adopted as a whole by the Commission, because it is reasonable in light of the whole record, consistent with law, and in the public interest.

5. Discussion

We find that reopening the record for the limited purpose of considering the Residential Disconnection Settlement Agreement is the best procedural course, and that the Agreement meets the Commission's substantive standards for approving settlement agreements. We, therefore, approve the Residential

Disconnection Settlement Agreement and the parties shall comply with its provisions.

5.1 Procedural Issues

As set forth above, the Settling Parties initially filed a petition for modification with the Residential Disconnection Settlement Agreement but now agree with the National Consumer Law Center that reopening the record for the limited purpose of considering the settlement agreement is a preferable procedural process. We agree and, therefore, order that the record in this proceeding be reopened for the sole purpose of considering the Residential Disconnection Settlement Agreement and the parties' filings associated therewith. No hearing is required.

5.2 Commission Standards for Considering Settlement Agreements

Rule 12.1(d) of the Commission's Rules of Practice and Procedure provides that the "Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest." The Commission needs to be assured that parties to a settlement were able to make informed choices in the settlement process.

With respect to whether a settlement agreement is consistent with the law, the Commission must be assured that no term of the settlement agreement contravenes statutory provisions or prior Commission decisions. A settlement that implements or promotes state and Commission policy goals embodied in statutes or Commission decisions would be consistent with the law. To determine whether a settlement agreement is in the public interest, in addition to substantive public interest concerns associated with the circumstances of a

particular proceeding, the Commission may inquire into whether a settlement expeditiously resolves issues that otherwise would have been litigated.

We analyze the Residential Disconnection Settlement Agreement under this standard of review below and find that it meets the requirements for adoption by the Commission under the law.

6. Analysis of the Residential Disconnection Settlement Agreement

6.1. The Residential Disconnection Settlement Agreement Is Reasonable In Light of the Record

The Residential Disconnection Settlement Agreement is reasonable in light of the record as it reasonably responds to the issues framed by this rulemaking, the previous decisions and the experience obtained by operating under similar disconnection and credit rules since 2010 for SDG&E and SoCalGas, and 2012 for PG&E and SCE.

6.2. The Residential Disconnection Settlement Agreement is Consistent With Law

The Residential Disconnection Settlement Agreement is consistent with the law as it furthers statutory mandates associated with various consumer protection programs, as well as the Commission's goals, as set forth in prior decisions, of uniform disconnection and customer credit protocols.

6.3. The Residential Disconnection Settlement Agreement is in the Public Interest

The Residential Disconnection Settlement Agreement is in the public interest as it continues customer disconnection and credit rules that have been in place since 2010 for SDG&E and SoCalGas, and 2012 for PG&E and SCE, as well as creating options for further pilot programs. The Residential Disconnection

Settlement Agreement is also in the public interest by efficiently resolving these issues without resort to expensive and prolonged litigation.

7. Comments on Proposed Decision

The proposed decision of the Commissioner in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. The Settling Parties filed comments seeking editorial clarification of several issues, and ORA replied in support. The proposed decision has been revised to provide that requested clarifications. As so revised, we adopt the proposed decision.

8. Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and Maryam Ebke is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. In D.10-12-051, the Commission approved a settlement agreement for SDG&E and SoCalGas that set payment arrangement practices and restrictions on collecting deposits if performance benchmarks were not met, established an extreme weather policy prohibiting disconnection in severe temperatures, set a 12-month transition process for remote disconnections following smart meter installation, required in-person field contact prior to such remote disconnections, and prohibited remote disconnections of customers vulnerable to health and safety risks. This settlement expired at the end of 2013.

2. In D.12-03-054, the Commission resolved all Phase II issues pertaining to PG&E and SCE and required the utilities to permanently: (1) offer the option of immediate CARE enrollment during customer contact with the utility, and (2) perform on-site visits within 48 hours of remote disconnection for vulnerable

customers. The decision also required these utilities, until December 31, 2013, to continue or adopt a variety of policies regarding customer deposits, payments, and communication with customers.

3. The utilities voluntarily agreed to extend the expiring provisions to March 17, 2014.

4. On April 1, 2014, the Settling Parties filed the Residential Disconnection Settlement Agreement and requested that Decisions 12-03-054 and 10-12-051 be modified.

5. The National Consumer Law Center opposed using the petition to modify process and instead recommended reopening the record to consider the Residential Disconnection Settlement Agreement, and the Settling Parties agreed with the recommendation.

6. The Settling Parties also confirmed their intent to continue the permanent provisions of D.12-03-054 related to field visits and immediate CARE enrollment.

7. The National Consumer Law Center supported the pilot programs to assess effectiveness of payment plans as presented in the Residential Disconnection Settlement Agreement, but sought greater flexibility to address a customer's specific circumstances.

8. The Settlement Agreement provides for individualized consideration by all utilities of customer needs regarding payment plans, despite the prescriptive approaches to be tested in the pilot programs.

9. No hearing is necessary.

Conclusions of Law

1. The Residential Disconnection Settlement Agreement is reasonable in light of the whole record because it reasonably responds to the issues framed by this rulemaking, the scoping memo, the previous decisions, and the experience

obtained by operating under similar disconnection and credit rules since 2010 for SDG&E and SoCalGas, and 2012 for PG&E and SCE.

2. The Residential Disconnection Settlement Agreement is consistent with the law as it furthers with various consumer protection programs, as well as the Commission's goals, as set forth in prior decisions, of uniform disconnection and customer credit protocols.

3. The Residential Disconnection Settlement Agreement is in the public interest as it continues customer disconnection and credit rules that have been in place since 2010 for SDG&E and SoCalGas, and 2012 for PG&E and SCE, as well as creating options for further pilot programs. The Residential Disconnection Settlement Agreement is also in the public interest by efficiently resolving these issues without resort to expensive and prolonged litigation.

4. The Residential Disconnection Settlement Agreement is reasonable in light of the whole record, consistent with law, and in the public interest; as such, it should be adopted in full.

5. The April 1, 2014, Petition for Modification of Decisions 10-12-051 and 12-03-054 by the Settling Parties is moot and should be denied.

6. The record in this proceeding should be reopened for the sole purpose of adopting the Residential Disconnection Settlement Agreement.

7. The April 1, 2014, Joint Motion for Adoption of Settlement Agreement by the Settling Parties should be granted.

8. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The Residential Disconnection Settlement Agreement attached to the April 1, 2014, Joint Motion for Approval of Settlement Agreement (Attachment A) hereto is adopted in full.
2. Within seven days of the effective date of this decision, Pacific Gas and Electric Company, Southern California Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each file a Tier 1 Advice Letter, effective the date filed, implementing any change to its tariffs required by the Residential Disconnection Settlement Agreement.
3. Rulemaking 10-02-005 is closed.

This order is effective today.

Dated June 26, 2014, at San Francisco, California.

MICHAEL R. PEEVEY
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
MICHAEL PICKER
Commissioners

ATTACHMENT A

SETTLEMENT AGREEMENT

AMONG

**THE OFFICE OF RATEPAYER ADVOCATES; THE UTILITY REFORM NETWORK;
THE GREENLINING INSTITUTE ; THE CENTER FOR ACCESSIBLE
TECHNOLOGY ; PACIFIC GAS AND ELECTRIC COMPANY; SOUTHERN
CALIFORNIA EDISON COMPANY; SAN DIEGO GAS & ELECTRIC COMPANY; and
SOUTHERN CALIFORNIA GAS COMPANY**

ARTICLE 1

In accordance with Article 12 of the California Public Utilities Commission's (Commission or CPUC) Rules of Practice and Procedure, the Office Of Ratepayer Advocates (ORA); The Utility Reform Network (TURN); the Greenlining Institute (Greenlining); the Center For Accessible Technology (CforAT); Pacific Gas and Electric Company (PG&E); Southern California Edison Company (SCE); San Diego Gas & Electric Company (SDG&E); and Southern California Gas Company (SoCalGas) (collectively, the Settling Parties) hereby enter into this Settlement Agreement (the Agreement) as a compromise to resolve issues pertaining to the credit, collection and disconnection practices that PG&E, SCE , SDG&E and SoCalGas will implement upon the expiration of the related requirements adopted in Decision (D.) 10-12-051 and D.12-03-054, issued in Rulemaking (R.)10-02-005.

ARTICLE 2

2.1 The Commission adopted new credit and collection practices for the California investor owned utilities (IOUs) including customer disconnection rules in R.10-02-005, through D.10-12-051 and D.12-03-054.

2.2 Pursuant to D.10-12-051 and D.12-03-054, many of the mandated credit and collection practices were due to expire at the end of 2013.

2.3 In late 2013, the Consumer Groups and Joint Utilities commenced settlement discussions under CPUC Rule 12 to determine the Joint Utilities' post-2013 credit and collection practices.

2.4 On December 19, 2013, CPUC Executive Director sent a letter to each of the Utilities directing them to maintain until March 3, 2014, status quo of the then currently effective customer disconnection rules adopted in D.10-12-051 and D.12-03-054.

2.5 On March 3, 2014, the Joint Utilities voluntarily agreed to maintain status quo of their customer disconnection rules for an additional two weeks until March 17, 2014 to allow the parties to continue settlement discussions.

2.6 On March 11, 2014, Pursuant to Rule 12.1(b), PG&E notified all parties on the service list of R.10-02-005 of a settlement conference to be held on March 18, 2014 to discuss the terms of the Agreement.

2.7 On March 18, 2014, the Settling Parties hosted a Settlement Conference at PG&E's offices and this Agreement was executed thereafter.

ARTICLE 3

GENERAL PROVISIONS AND TERMS

3.1 Settling Parties

The settling parties include PG&E, SCE, SDG&E, SoCalGas (collectively referred to as the Joint Utilities) and TURN, Greenlining, ORA, and CforAT (collectively referred to as the Consumer Groups). All parties to the Agreement will be referred to collectively as the Settling Parties.

3.2 Case Settled

This Agreement resolves issues pertaining to the credit, collection and disconnection practices that the Joint Utilities will implement upon the expiration of the related requirements adopted in D.10-12-051 and D.12-03-054, issued in R.10-02-005. The Settling Parties agree not to seek relief from the CPUC related to the specific practices set forth herein that would take effect before the expiration of this Agreement, with the exception of the filing(s) required to seek CPUC approval and effectuate the terms of this Agreement. This provision is not intended to preclude parties from continuing to address other policies related to credit, collection or disconnection practices that might take effect during the term of this Agreement, including but not limited to those that have already been raised in ongoing CPUC proceedings, such as R.12-06-013 (Residential Rate Design OIR) and Application (A.)13-11-003 (SCE's 2015 General Rate Case (GRC)).

To the extent that the Joint Utilities agree to include terms of this Agreement in Utility tariff rules as explicitly provided in this document, the Joint Utilities may seek to modify such tariffs at the expiration of this Agreement.

The Settling Parties further agree, as a general matter, that credit and collections policy matters should be addressed in a forum in which policy changes can be aligned with cost recovery, whether in a GRC, a Low Income Program application, or another proceeding that affords the CPUC an opportunity to address cost recovery, including an investigation or rulemaking proceeding in which ratesetting may occur. Consistent with this principle, the Settling Parties agree to address future credit, collection and disconnection practice issues in each of the Joint Utilities GRC proceedings or other appropriate CPUC proceedings in which the scope encompasses both credit and collection policy, and related cost recovery.

3.3 Regulatory Approvals

The Settling Parties shall jointly request approval by the CPUC of this Agreement and shall actively support its prompt approval. Active support shall include written and oral testimony if testimony is required, briefing if briefing is required, Comments and Reply Comments on the proposed decision, advocacy to Commissioners and their advisors, as needed, and other appropriate means as needed to obtain the requested approval.

3.4 Term of the Agreement

The term of this Agreement shall be from the Effective Date until December 31, 2016. Except to the limited extent otherwise expressly permitted herein, the provisions of this Agreement in effect during the term of this Agreement shall not be subject to modification.

3.5 **Cost Recovery**

The Joint Utilities will seek to recover any incremental costs resulting from this Agreement not currently recovered in any other proceeding through a balancing account, memorandum account, or other appropriate ratemaking mechanism. The Joint Utilities shall not seek to double recover any costs related to this Agreement. Recovery of such incremental costs is subject to a reasonableness review by the CPUC in an appropriate utility proceeding(s). Any utility seeking recovery of incremental costs in a CPUC proceeding pursuant to this Agreement shall notify the Settling Parties of its intent to seek cost recovery and identify the CPUC proceeding in which it will request such cost recovery. Finally, the Joint Utilities shall not be required to incur costs for any capital projects until the capital project is proposed and approved for recovery in the respective utility's GRC proceeding and agree to notify the Settling Parties if any measure resulting from this Agreement is deemed a capital project.

3.6 **Implementation**

The Joint Utilities may be required to make operational changes including information technology (IT) changes to effectuate some of the provisions of this Agreement. To the extent that such operational changes are required, the Joint Utilities shall implement the impacted settlement provision(s) as soon as reasonably practicable, and apprise the Settling Parties of progress on the operational changes and the projected implementation date of the impacted provisions.

3.7 **Non-Precedential**

The Settling Parties agree that this Agreement is non-precedential.

3.8 Entire Agreement

3.8.1 This Agreement embodies the entire understanding and agreement of the Settling Parties with respect to the matter described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreement, principles, negotiations, statements, representations, or understandings among the Settling Parties.

3.8.2. The Agreement may be amended or changed only by a written agreement signed by the Settling Parties.

3.8.3 This document may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.8.4 The Settling Parties intend the Agreement to be interpreted and treated as a unified, integrated agreement. In the event the Commission rejects or modifies the Agreement, the Settling Parties reserve all rights set forth in Rule 12.4 of the Commission's Rules of Practice and Procedure.

ARTICLE 4

SETTLEMENT OF ISSUES

4.1 Field Visits for Vulnerable Customers

4.1.1 PG&E, SoCalGas, and SCE shall continue in-person visits within the 48 hours prior to, or at the time of, disconnection for special needs profiled customers, including Medical Baseline, Life Support, and customers who self-certify that they have a serious illness or condition that could become life threatening if service is disconnected. SDG&E shall conduct

in-person visits within five business days prior to disconnection of special needs profiled customers, including Medical Baseline, Life Support, and customers who self-certify that they have a serious illness or condition that could become life threatening if service is disconnected. The Joint Utilities shall not require any vulnerable customer who receives a field visit pursuant to this paragraph to pay a fee associated with that field visit.

4.1.2 The Joint Utilities shall also each continue their respective current practices for collection of customer payment at the time of the field visit as set forth below:

- PG&E: Provides the customer with a Pay-by-Phone option during field visits or provides the customer with additional time if they indicate a desire to pay at a local office or neighborhood payment center.
- SCE: If customer contact is made when a Field Service Representative (FSR) visits the customer's premise, the FSR will offer the customer the option to make payment by QuickCheck, debit or credit card by phone, or provide a courtesy extension of 48 hours to allow the customer to pay utilizing any of SCE's payment options.
- SDG&E: Provides the customer with the ability to pay by cash, check or money order at premise.
- SoCalGas: Provides the customer with the ability to, at a minimum, pay by cash, check or money order at premise.

4.1.3 The Joint Utilities shall reflect in their respective Tariffs the Field Visit for Vulnerable Customers practices described above in this provision.

4.2 Effective Communication Policies

4.2.1 PG&E and SCE shall maintain the communication practices required in D.12-03-054 Ordering Paragraphs 2(j), 2(k), and 2(l), with the exception of outbound calls to customers using a relay service. PG&E and SCE shall continue responding to incoming relay service calls and shall not include any limits or requirements regarding the length of these calls, and shall not penalize call center representatives for the length of these calls.

4.2.2 PG&E and SCE shall also include an insert in mailed Final Call Notices with information in the five most common languages in their respective service territories.

4.2.3 SDG&E and SoCalGas shall continue the following communication practices:

4.2.3.1 SDG&E and SoCalGas shall implement multiple language, large print 48-Hour Notice inserts and/or leave behind documents (if customer is not home for field visit) to provide customers with direction and contact information on how to seek help. The text of the document shall read: “You are at risk for disconnection. We can help. You may be eligible for a payment plan. Please call [insert appropriate CSR number for that language].”

4.2.3.2 SDG&E and SoCalGas will continue to make automated pre-disconnection calls to customers encouraging them to contact the Utility for payment arrangements and assistance. The call shall describe the services available to customers.

4.2.3.3 SDG&E and SoCalGas will provide Braille Bills and 48-hour Disconnection Notices upon request from customers. Customers may request such format through a call center agent. After the initial call is made, future bills will be sent automatically in

Braille. Braille Bills only translate specific, relevant payment-related information, not all other messages or non-payment related information. Braille 48-Hour Disconnection Notices will also be mailed to customers requesting utility bills in Braille. The Braille-translated 48-Hour Disconnection Notice will be in conjunction with the system-generated, non-Braille notice they receive and may not be received the same day; however, the collections cycle will be adjusted in the customers' favor to accommodate the timing difference.

4.2.3.4 SDG&E and SoCalGas will provide large print bills through their websites for customers enrolled in "My Account." Utility websites will be updated with instruction for accessing and modifying the electronically produced bill in large font. Customers unable to access the Internet or otherwise unable to manage modifying electronically presented bills may contact the call center for agent assistance.

4.2.3.5 SDG&E and SoCalGas utility field workers shall be trained to communicate with people having language disabilities about the availability of relay services for required communications between the aforementioned customers and SDG&E and SoCalGas. Relay calls shall not be used in the calculation of the average call handling time for SDG&E and SoCalGas.

4.2.4 The Joint Utilities shall reflect in their respective Tariffs the Effective Communication Policies described above in this provision.

4.3 CARE Enrollment by CSRs

4.3.1 The Joint Utilities that are currently providing access to a live representative or agent for CARE enrollment by telephone will continue to do so. All other

utilities will seek funding through the Low Income Programs proceeding to implement this in the next program cycle.

4.4 Extensions and Payment Arrangements

4.4.1 Extensions

4.4.1.1 The Joint Utilities shall continue to work with customers requesting payment extensions (i.e., customer requests an extra week or two to pay their bill) and provide the customers with extensions.

4.4.2 Payment Arrangement Pilots

4.4.2.1 For customers requesting payment arrangements or expressing an inability to pay the entire balance due on their account, the Joint Utilities shall implement a sequence of pilots throughout the term of the Agreement, for periods of seven months each, with reasonable time between the pilots for review of results of previous pilots and implementation of required operational changes. The pilots described in Sections 4.4.3 through 4.4.7 below will be the first in the series. Subsequent pilots will be designed and implemented consistent with Section 4.4.9.1 below. Additionally, consistent with initial pilots, any future pilots by the Joint Utilities will only require a population large enough to establish statistical significance. Upon agreement by all parties, which shall not be unreasonably withheld, any successful pilots may be continued.

4.4.3 PG&E:

4.4.3.1 PG&E proposes a more structured payment arrangement approach in an effort to provide consistent payment arrangement offerings across all channels; CSR, IVR, Web and Mobile Channels Payment Plan options and eligibility have been enhanced to allow for a variety of flexible offerings based on an individual customer's risk level. Under PG&E's proposed Payment Arrangement Pilot all residential customers will be offered the opportunity to enter into a three-month payment arrangement unless their service has already been disconnected. All customers will be asked to make a good faith payment within seven to 14 days, and the parameters of the payment arrangement within the three months will be determined by each customer's history.

Low Risk (0-2 Broken Pay Plans within the last 12 months)

- 0-10% of Total Balance within 14 days, remaining balance over a three-month period + current bills

Medium Risk (3 Broken Pay Plans within the last 12 months)

- 20% of Total Balance within 10 days, remaining balance over a three-month period + current bills

High Risk (4+ Broken Pay Plans within the last 12 months)

- 30% of Total Balance within 7 days, remaining balance over a three-month period + current bills

4.4.3.2 Based on individual circumstances, all customers will have the ability to request flexibility to the standard through an internal escalation process. Customers are also expected to pay their current bills in addition to their payment commitment.

4.4.3.3 Life Support customers will be special handled. All Life Support customers will be eligible for a three to 12 month payment arrangement depending on

circumstances, with flexibility for good faith payments as determined by the Customer Service Representative (CSR).

4.4.3.4 PG&E's proposed payment arrangement pilot aligns with the spirit of R.10-02-005 in that it will continue to allow all customers to enter into a pay plan for up to three months. In addition, PG&E's Channel of Choice initiative, having uniform pay plans across all customer channels – CSR, IVR, Web and Mobile Channels – will provide a level of payment arrangement consistency for both the customer and PG&E and at the same time allow for flexibility to meet individual customer needs.

4.4.4 SCE

4.4.4.1 SCE proposes to offer all eligible residential customers two to four installments of up to four months to pay depending upon the dollar amount of the balance due (customers will not be eligible for a payment arrangement on a returned check amount).

CSRs will continue to have the flexibility to provide payment arrangements that extend beyond these terms based on a customer's specific circumstances. These arrangements will not be available to customers who are disconnected at the time an arrangement is being sought.

Specifically, SCE's pilot shall include:

- Payment Arrangements less than \$100 in arrears
 - First payment made within two weeks with the full amount paid within 30 days.
- Payment Arrangements \$100 or greater and less than \$500

- Customer must make a good faith payment equal to the amount of their current bill. Customers who have defaulted on four or more payment arrangements on the same bill must pay 50% of the balance. First payment made within one week for weekly payment arrangements or two weeks for biweekly or monthly payment arrangements. The full amount to be paid within 60 days. Customer must continue to pay current bills.
- Payment Arrangements \$500 or greater and less than \$1,500
 - Customer must make a good faith payment equal to the amount of their current bill. Customers who have defaulted on four or more payment arrangements on the same bill must pay 50% of the balance. First payment made within one week for weekly payment arrangements or two weeks for biweekly or monthly payment arrangements. The full amount to be paid within 90 days. Customer must continue to pay current bills.
- Payment Arrangements greater than or equal to \$1,500
 - Customer must make a good faith payment equal to the amount of their current bill. Customers who have defaulted on four or more payment arrangements on the same bill must pay 50% of the balance. First payment made within one week for weekly payment arrangements or two weeks for biweekly or monthly payment arrangements. The full amount to be paid within 120 days. Customer must continue to pay current bills.

4.4.5 **SDG&E**

4.4.5.1 SDG&E proposes to offer CARE/FERA customers, through CSRs, provided a CARE/FERA customer has not been disconnected in the past 12 months,

payments have been made in the last 60 days, and no payment arrangement defaults have occurred on balances still owed, up to three months to pay the bill with a maximum balance of \$500. A payment arrangement confirmation will be sent out to the customer, as is the case with current practice. The following is an example of the payment arrangement option customers will experience based on individual circumstances.

Example:

- Customer paid bill within the last three months
- Customer is delinquent by at least one bill cycle
- No amount of current past-due balance is subject to payment arrangement
- Past due balance \$101.00
- Current balance \$95.00
- Pilot proposal – SDG&E offers customer up to three months to pay \$196.00 (\$65.33 plus new monthly charges over term), or can set up arrangement such that current amount is paid within a specified number of days, and past due balance is paid over following three months (\$33.67 plus new monthly charges over term).

4.4.6 SoCalGas

4.4.6.1 SoCalGas proposes to offer two payment arrangement options focused on CARE customers, through CSRs only. The first payment arrangement option is based upon getting customers below their minimum collection amount with maximum two payments before the collect/close date. The second pilot option would be three equal payments for the total delinquent amount and the first payment needs to be paid prior to the collect/close date.

4.4.6.2 The following are examples of the two payment arrangement options for CARE customers may choose from based on individual circumstances.

Example 1: The customer MCA is \$65. The delinquent amount is \$123. Based on the customer's payment method, they need to make a payment by 1/15.

1. First Payment Arrangement - the customer pays a set of two payments:
 - \$57 on 1/15
 - \$66 on 2/5
2. Pilot Proposal - the customer pays a set of three payments:
 - \$41 on 1/15
 - \$41 on 1/29
 - \$41 on 2/12

Example 2: The customer MCA is \$100. The delinquent amount is \$155. Based on the customer's payment method, they need to make a payment by 1/15.

1. First Payment Arrangement - the customer pays a set of two payments:
 - \$54 on 1/15
 - \$101 on 2/5
2. Pilot Proposal - the customer pays a set of three payments:
 - \$51 on 1/15
 - \$51 on 1/29
 - \$51 on 2/12

4.4.7 Additional IOU Pilot Components:

4.4.7.1 The Joint Utilities shall work together to incorporate the following elements as a component of one or more of the Joint Utility pilots described above:

1. For a total statewide sample size of 10,000 customers over the duration of the seven month pilot period, the Joint Utilities will affirmatively acknowledge/confirm receipt of the first payment of a payment arrangement. The acknowledgement will include a general, non-customer specific, statement concerning the next payment and will provide a telephone number for customers to call with questions or concerns. The affirmative customer outreach will be in the form of either a hard copy, text or, on a more limited basis, electronic email communication to the customer.
2. For a total statewide sample size of 1,000 customers over the duration of the seven-month pilot period, the Joint Utilities will provide a proactive outbound live agent call to selected customers with past-due amounts owed, but not participating in a payment arrangement, in advance of disconnection for nonpayment. This provision excludes Medical Baseline customers who already receive live agent calls in advance of disconnection.
3. Data Collection: The Joint Utilities propose to analyze a subset of customers who have been successful in completing their payment arrangements both before and after disconnection. The Joint Utilities will define and communicate to the Settling Parties the criteria to be used in the analysis in addition to the results of their respective payment arrangement pilots.

4.4.8 Data Collection

4.4.8.1 During the pendency of the pilots, the Joint Utilities shall collect data points as available in order to evaluate the success of each pilot after its conclusion. The Joint Utilities and Consumer Groups shall work together to develop feasible data collection points that are acceptable to all Settling Parties subject to operational limitations.

4.4.9 Criteria for Success

4.4.9.1 After the conclusion of the pilots, the Joint Utilities will provide the collected data to the Settling Parties, and the Settling Parties shall meet to discuss the results of the pilots and possible modifications or extensions of the pilots. Baseline data will include pre-2010 and post-2010 credit data. Success of the pilots shall be determined by reducing pay plan defaults, and/or a decrease in overall outstanding arrears.

4.4.10 Re-Establishment of Credit Deposit

4.4.10.1 The re-establishment of credit deposits shall be calculated at twice the average monthly bill. The Joint Utilities shall reflect this policy in their respective Tariffs.

4.4.10.2 The Joint Utilities shall permit CARE/FERA customers to pay re-establishment of credit deposits under the following guidelines:

- For deposits less than or equal to \$150, the Joint Utilities shall provide a CARE/FERA customer up to three months to pay.
- For deposits greater than \$150, the Joint Utilities shall provide a CARE/FERA customer up to six months to pay.

4.4.10.3 The Joint Utilities shall include in their respective Tariffs a permissive provision that reflects that the utility may allow CARE/ FERA customers to amortize payment of credit deposits for up to six months at the discretion of the Utility. This proposal will result in customers continuing to be immediately reconnected while they are making installment payments on their deposit.

4.4.10.4 The Joint Utilities shall not charge CARE/FERA customers re-establishment of credit deposits for late payments, and shall reflect this provision in their respective Tariffs.

4.4.11 Reporting Requirements

4.4.11.1 The Joint Utilities shall file monthly reporting data on a quarterly basis for the duration of the term of this Agreement in the format each utility is currently providing, with the exception of disconnection benchmark-related reporting.

4.4.11.2 Stakeholder Dialogue

4.4.11.2.1 The Settling Parties shall meet on a semi-annual basis throughout the term of this Agreement to discuss the status of the Agreement measures and any unforeseen consequences (positive or negative) that have resulted from the measures adopted, as well as to provide flexibility to promote customer service and credit policies that support arrearage reduction and the prevention of service disconnection for non-payment. During these meetings the Joint Utilities shall inform the Consumer Groups of any anticipated future credit and collection policy or implementation changes to be requested in any pending or future proceeding before the CPUC.

4.4.11.2.2 One of the semi-annual meetings under this Agreement shall be held in the Fourth Quarter of 2015 and shall include a discussion of each of the Joint Utilities' current plans for post-2016 treatment of the credit and collection practices contained within this Agreement.

OFFICE OF RATEPAYER ADVOCATES By: Name: Date:	THE UTILITY RETURN NETWORK By: Name: Date:
GREENLINING INSTITUTE By: _____ Name: _____ Date: _____	CENTER FOR ACCESSIBLE TECHNOLOGY By: _____ Name: _____ Date: _____
PACIFIC GAS AND ELECTRIC COMPANY By: _____ Name: _____ Date: _____	SOUTHERN CALIFORNIA EDISON COMPANY By: _____ Name: _____ Date: _____
SAN DIEGO GAS & ELECTRIC COMPANY By: _____ Name: _____ Date: _____	SOUTHERN CALIFORNIA GAS COMPANY By: _____ Name: _____ Date: _____